



DEPARTMENT OF MANAGEMENT AND BUDGET

FAIRFAX COUNTY ECONOMIC INDICATORS ©

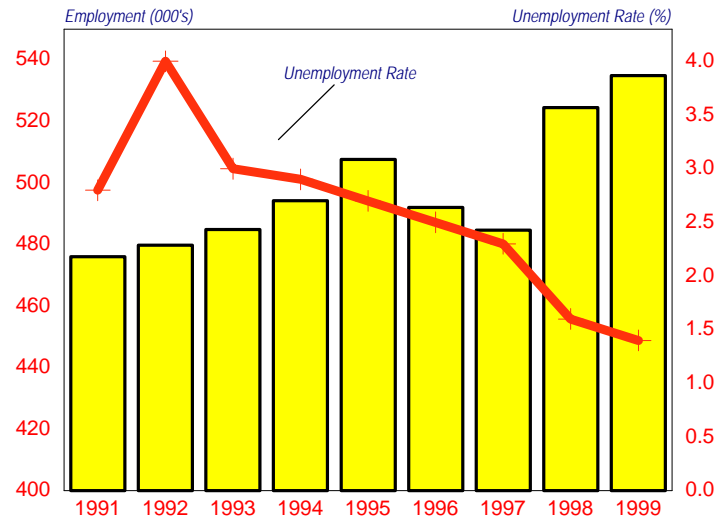
Publication 85

MAY 1999

MAY HIGHLIGHTS

- ❑ Considerable strength continues to be seen in the County's retail sector, as indicated by yet another double digit gain in May Sales Tax receipts. Relative to last year, cumulative fiscal year collections are leading by a 10.2 percent margin.
- ❑ Retail activity is strong throughout Northern Virginia, according to Sales Tax receipt data from the Virginia Department of Taxation. In addition to Fairfax County, both Loudoun and Alexandria are registering double digit, positive margins over last year.
- ❑ Based on data through April, County issues of both residential dwelling and nonresidential building permits continue to outpace that of last year.
- ❑ On the national level, issues of residential building permits through April are surpassing that of last year by 7.6 percent, thereby suggesting that the current 9.7 percent lead in housing starts may be sustained in the coming months.
- ❑ For the first quarter of the year, home sales in the County in terms of volume are exceeding that of last year in every category except new condominiums.
- ❑ The national Consumer Confidence Index gained nearly a point in April, increasing to 134.9. The Conference Board suggests that overall, consumers are very optimistic and that their positive economic outlook will continue to bolster the current economic expansion.
- ❑ The strength of the local economy was confirmed once again by increases in both the Fairfax County and the Metropolitan Coincident Indices in March. Given the advances in the Fairfax County and Metropolitan Leading Indices, this growth pattern is expected to be sustained.

RESIDENTIAL EMPLOYMENT - MARCH



Source: Virginia Employment Commission
Compiled by the Fairfax County Dept. of Management and Budget

Local job growth continues...

In March, 0.1 percentage point was shaved off the County's February's unemployment rate of 1.5 percent, according to the Virginia Employment Commission (VEC). March's 1.4 percent unemployment rate is lower than that of last year when the rate was 1.6 percent. Data from the VEC indicate that 534,877 County residents were employed in March, up 2.0 percent, or 7,381 jobs, over March 1998.

Employment situation strong on State and national levels...

The Commonwealth's unemployment rate also declined in March, dropping 0.2 percentage points to 2.6 percent, as reported by the VEC. On the whole, employment has expanded 1.4 percent in Virginia since last year. The Bureau of Labor Statistics reported that the national unemployment rate also dipped in March, falling to 4.2 percent from February's 4.4 percent.

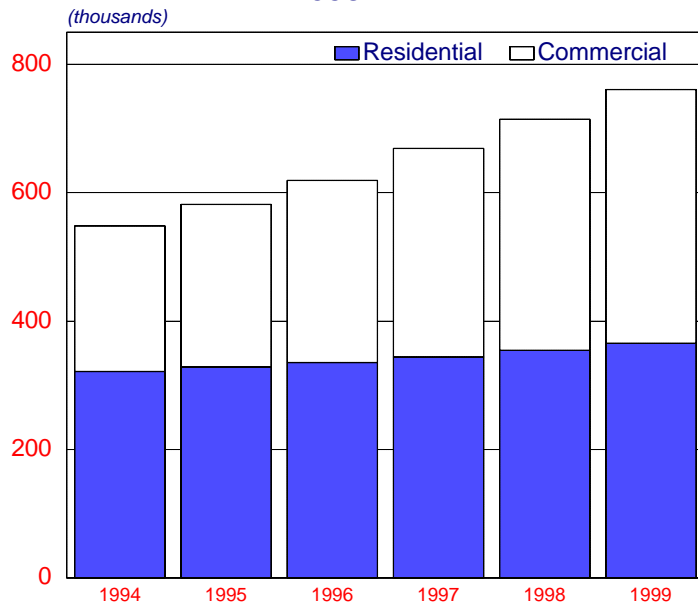


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - APRIL



Source: Bell Atlantic
Compiled by the Fairfax County Dept. of Management and Budget

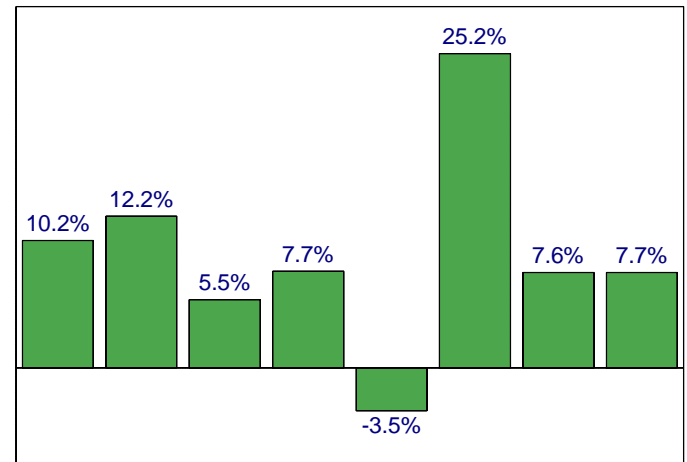
The number of telephone lines maintained in the County continues to grow...

As of April 30, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 760,977 telephone lines, up 46,390 lines, or 6.5 percent, over April 1998. The business sector continues to fuel this growth, adding 35,702 new telephone lines for an increase of 9.9 percent over the prior year. Residential telephone lines totaled 365,239 as of April 1999 and topped last year by 10,688 lines, or 3.0 percent.

County Sales Tax receipts through May leading last fiscal year by 10.2 percent...

Fairfax County's May Sales Tax receipts, representing retail purchases made in March, of \$10.0 million reflect yet another double digit gain over last year. As a result, the County's fiscal year Sales Tax receipts to date total \$96.1 million and lead the prior year by 10.2 percent.

FY 1999 SALES TAX RECEIPTS -THROUGH MAY



Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

Retail activity in Northern Virginia continues to exhibit strength...

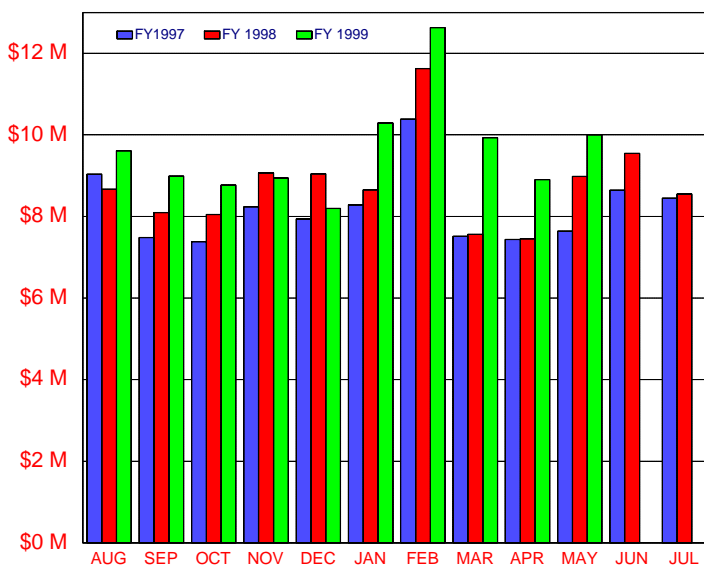
Consistent with recent trends, data from the Virginia Department of Taxation indicate a significant increase in Sales Tax receipts for all Northern Virginia localities except Falls Church in May. Consequently, cumulative fiscal year Sales Tax receipts through May are up 25.2 percent in Loudoun, 12.2 percent in Alexandria, 7.7 percent in Fairfax City, 7.6 percent in Prince William, and 5.5 percent in Arlington. By contrast, Falls Church Sales Tax receipts through May trail last year by 3.5 percent. On the whole, Sales Tax receipts in the Commonwealth registered an increase of 9.9 percent in May. With this increase, the Commonwealth's cumulative Sales Tax receipts through May lead the prior fiscal year by 7.7 percent.

National retail sales up 8.6 percent in March...

According to the Commerce Department, strength continues to be seen in retail sales on the national level. March sales topped the prior year by 8.6 percent. Durable goods sales posted a gain of 10.5 percent and non-durable goods sales topped the prior year by 7.2 percent.

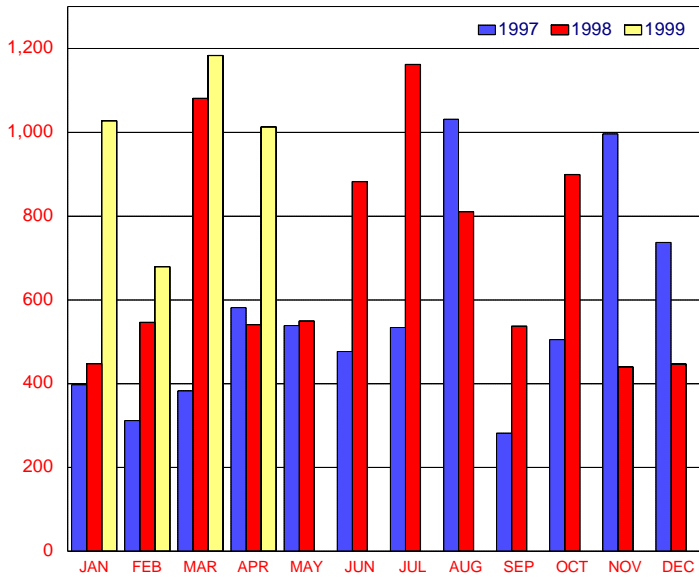
SALES TAX REVENUES

(revenues represent retail sales two months prior)



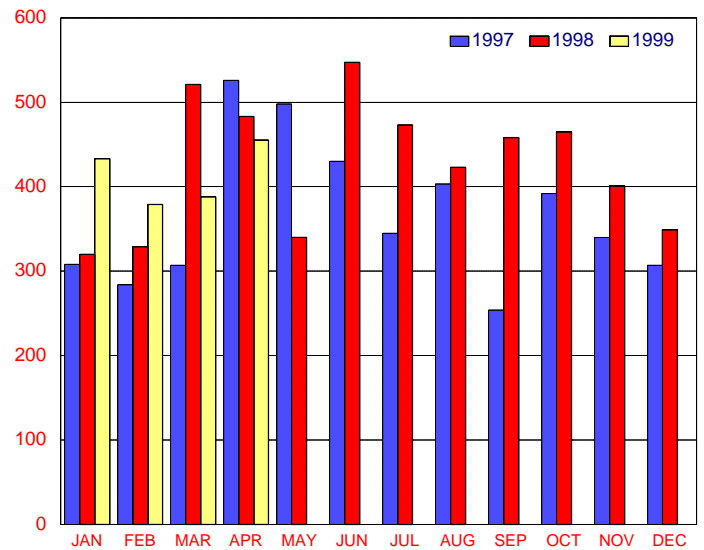
Source: Virginia Department of Taxation
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS

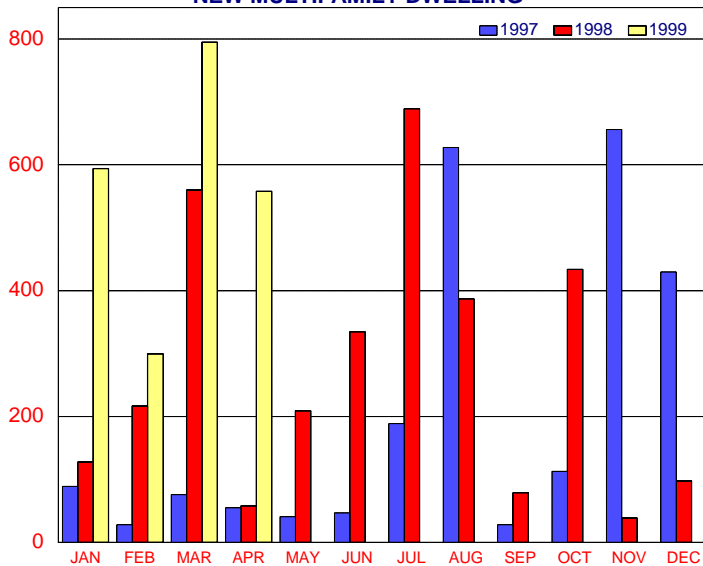


Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

Yet another significant gain in April issues of residential building permits....

Issues of new residential dwelling permits registered another significant gain in April. As a result, the 3,902 permits issued during the first four months of 1999 exceed that of the previous year by a margin of 65.8 percent, or 1,549 permits. The majority of the increase is due to the multifamily component which is up 146.9 percent, or 1,337 permits, to date, with 2,247 being issued through April. Permit issues for single family structures total 1,655 thus far in 1999 and are up 14.7 percent, or 212 permits.

NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

By contrast, the 3,398 residential repair and alteration permits issued through April indicate a deficit of 3.1 percent, or 110 permits, relative to last year.

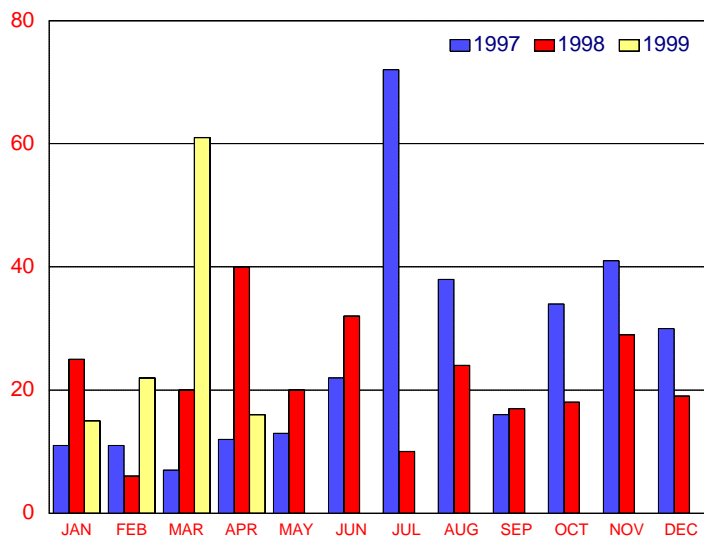
Housing starts up 9.7 percent nationwide through April...

On the national level, new privately owned housing units started during the first four months of 1999 are surpassing that of last year by 9.7 percent, according to the Commerce Department. Regionally, the South is registering greatest lead with an increase of 15.8 percent, followed by gains of 6.0 percent in the West, 3.2 percent in the Northeast, and 2.2 percent in the Midwest.

Building permit issues through April up 7.6 percent nationally....

The Commerce Department also reported that the number of residential building permits issued nationwide through April exceeded that of 1998 by 7.6 percent. Residential building permit issues are up 10.4 percent in the South, 9.9 percent in the Northeast, 7.2 percent in the Midwest, and 2.1 percent in the West.

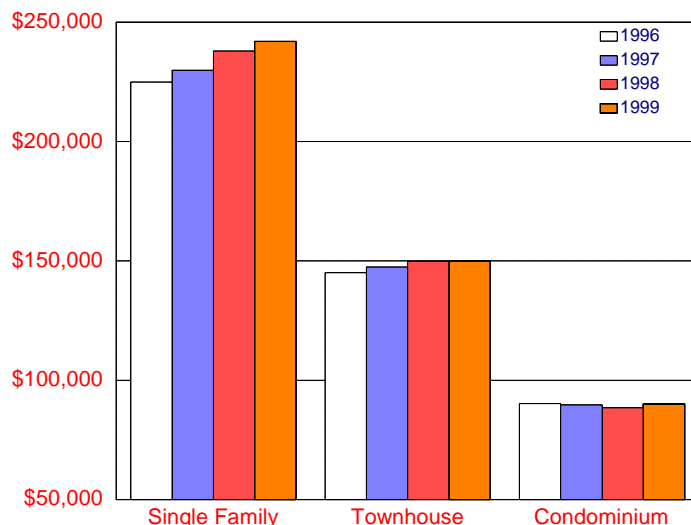
NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Public Works and Environmental Services
Compiled by the Fairfax County Dept. of Management and Budget

HOME SALES IN FAIRFAX COUNTY

MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY-MARCH 1999 COMPARED TO ANNUAL MEDIAN PRICES 1996 - 1998



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

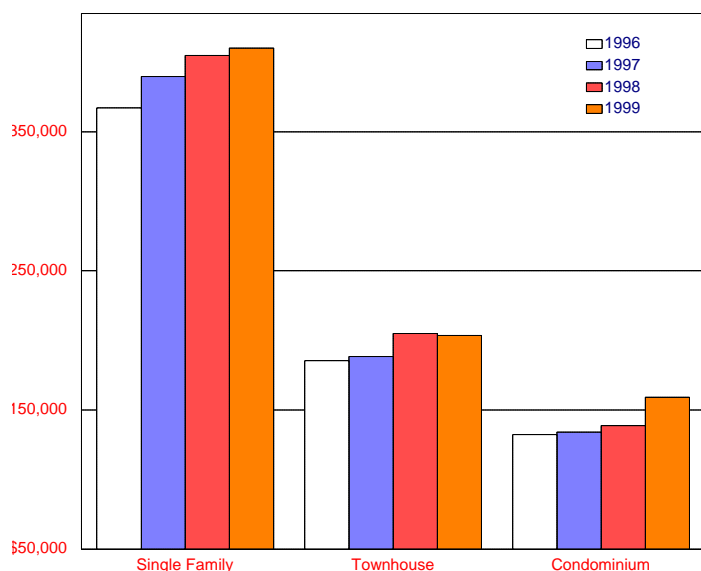
Despite a decline in April, nonresidential building permit issues by County lead prior year to date...

The number of nonresidential building permits issued in April fell short of last year, thereby interrupting a two month long trend of significant gains. Despite April's decline, the 114 nonresidential permits issued to date exceed the prior year by 25.3 percent, or 23 permits. Through April, 1,316 nonresidential repair and alterations permits have been issued, up a meager 0.2 percent, or 3 permits, over the same period last year.

Median prices of existing homes sold through March up slightly...

Based on sales data through March, the median selling prices of all types of existing homes are up slightly from the levels established in 1998. Please note, however, that these data reflect only three months of sales and are subject to revision as staff verifies each transaction. Through the first quarter of the year, existing condominiums have sold for a median price of \$90,000, up \$1,500, or 1.7 percent, from the \$88,500 registered in 1998. Similarly, existing single family homes also experienced a 1.7 percent increase, as the median selling price has risen \$4,000 to \$242,000, based on sales data for the first three months of the year. The median selling price of \$150,000 for existing townhomes reflects a meager increase of 0.1 percent, or \$100, compared to 1998's \$149,900.

MEDIAN PRICE OF NEW HOMES SOLD JANUARY-MARCH 1999 COMPARED TO ANNUAL MEDIAN PRICES 1996 - 1998



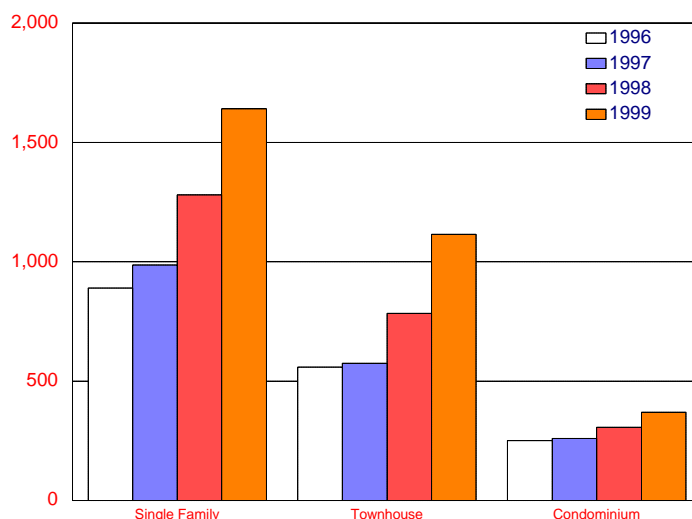
Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

New townhomes sold through March indicate slightly lower median price...

Sales data for the first quarter of 1999 indicate increases in the median selling prices of new condominiums and new single family homes, compared to the levels established

in 1998. As mentioned earlier, these data reflect only three months of sales and are subject to revision as staff verifies each transaction. The most significant gain is reflected in the median selling price of new condominiums which has increased 14.6 percent, or \$20,302, to \$159,092 from 1998's \$138,790. The median price of new single family homes sold through March indicate an advance of 1.3 percent, or \$5,223, to \$410,188 from the \$404,965 established in 1998. The median selling price of new townhomes is down 0.7 percent, or \$1,385, to \$203,615 compared to the \$205,000 established in 1998.

NUMBER OF EXISTING HOMES SOLD JANUARY-MARCH 1996-1999



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

Sales of existing homes, in terms of volume, up through first quarter...

Low interest rates and positive economic prospects continue to fuel increases in real estate activity. As a result, the sales volumes of all

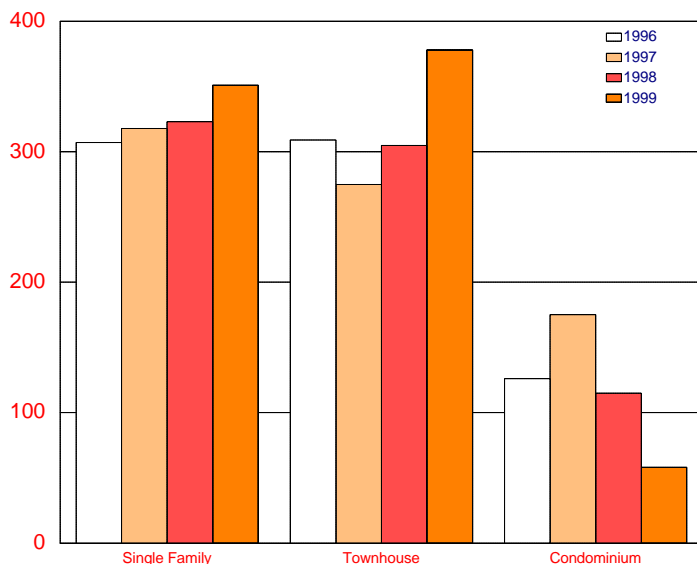
types of existing homes in the first quarter of 1999 have outpaced the impressive levels established last year by significant margins. Through March, 370 existing condominiums were sold, up 20.9 percent, or 64 units, compared to the same period in 1998. Similarly, the 1,115 existing townhomes sold during the first three months of 1999 exceed the prior year by 42.2 percent, or 331 homes. To date, 1,641 existing single family homes sold, topping last year by 28.1 percent, or 360 homes.

PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD JANUARY-MARCH 1999 COMPARED TO 1998 ANNUAL

	Existing Sales	New Sales
Single Family	1.7	1.3
Townhouse	0.1	-0.7
Condominium	1.7	14.6

Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

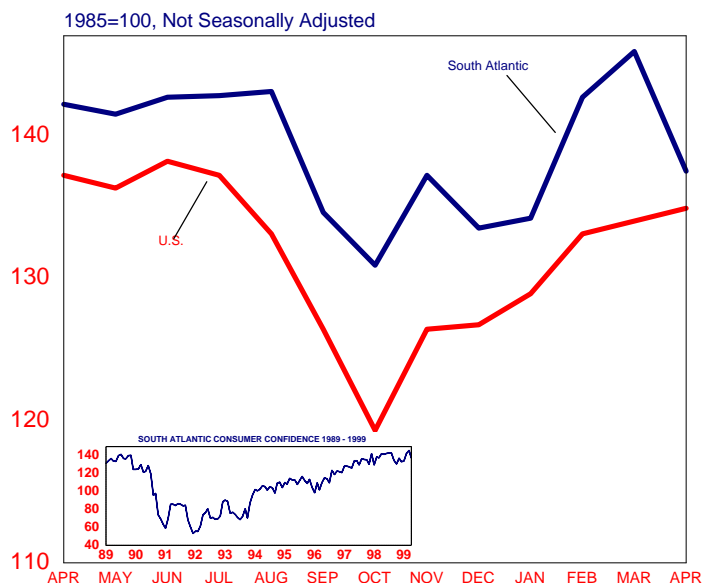
NUMBER OF NEW HOMES SOLD JANUARY-MARCH 1996-1999



Source: Department of Tax Administration
Compiled by the Fairfax County Dept. of Management and Budget

ADDITIONAL INDICATORS

CONSUMER CONFIDENCE INDICES



Source: Conference Board
Compiled by the Fairfax County Dept. of Management and Budget

Compared to last year, fewer new condominiums have been sold through March...

For the first three months of 1999, increases have been registered in the sales volumes of new single family homes and townhomes. A total of 378 new townhomes were sold through March, reflecting an increase of 23.9 percent, or 73 units, compared to the same period in 1998. Additionally, 351 new single family homes were sold in the first quarter of 1999, topping last year by 8.7 percent, or 28 units. By contrast, the 58 new condominiums sold during the first three months of the year trail the same period in 1998 by 49.6 percent, or 57 units.

Sales of new homes nationwide through March outpacing last year's volume...

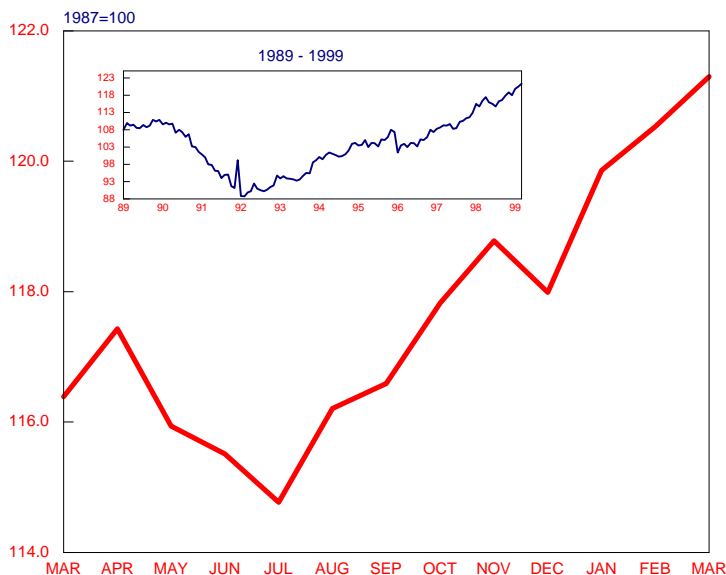
According to data from the Commerce Department, sales of new single family homes during the first quarter of 1999 outpaced that of last year by 5.9 percent nationwide. Performance is quite varied on a regional basis, however. The West and the South, for example, experienced gains of 11.7 percent and 9.4 percent, respectively, while the Midwest and Northeast registered declines of 6.8 percent and 9.5 percent, respectively.

South Atlantic Consumer Confidence Index drops in April...

The Conference Board's South Atlantic Consumer Confidence Index dropped 8.4 points to 137.5 in April, thereby erasing the gains made in the previous two months. The South Atlantic Consumer Confidence Index is now 4.7 points lower than it was in April of 1998. Please note there is considerably more volatility in the regional indices and that this one-month decline does not constitute a trend. The national Consumer Confidence Index gained nearly a point in April and rose to 134.9. Based on the positive trend exhibited on the national level, the Conference Board cites a growing optimism among consumers and suggests that this positive outlook will continue to make significant contributions to the current economic expansion.

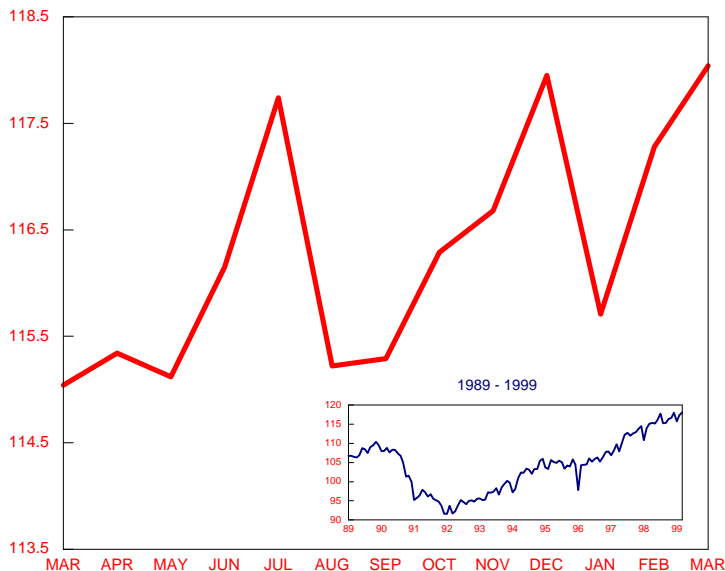
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in 9 to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy, and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses. Please note that the Virginia Coincident and Leading Index data were not available at the time of publication.

FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University
Fairfax County Dept. of Management and Budget

METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

County economy performs well in March...

The Fairfax County Coincident Index, which represents the current state of the County's economy, increased 0.6 percent to 121.3 in March. The Index has gained 4.2 percent over the past 12 months and has been positive in seven of the last eight months. Three of the Index's four components contributed to its advance in March. Total employment increased for the eighth time in the past ten months; Consumer confidence posted a second consecutive gain and reached an all time high; and, Sales Tax receipts, adjusted for inflation and seasonal variation, increased following a decline in February. In March, Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, slipped on the heels of a sharp gain in February.

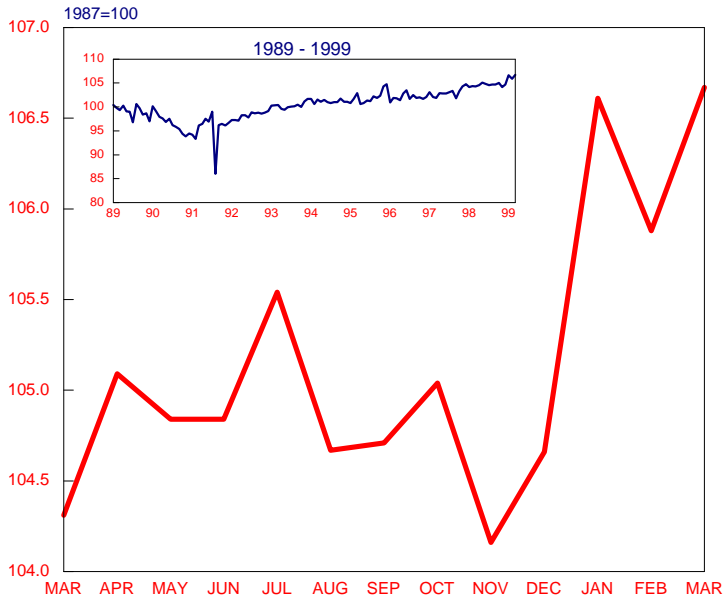


Metropolitan Coincident Index advances in March...

The Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, posted a 0.8 point advance to 118.04 in March with three of the Index's four components contributing positively. Non-durable goods sales made the most significant gain in March, followed by consumer confidence and total wage and salary employment. Only domestic airport traffic at Ronald Reagan National Airport was negative in March.

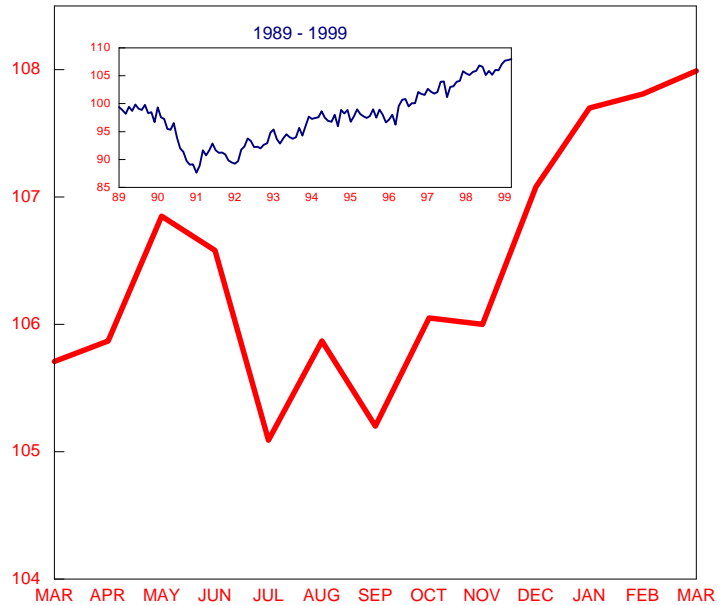


FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University
Fairfax County Dept. of Management and Budget

METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University
Compiled by the Fairfax County Dept. of Management and Budget

County's Leading Index reaches an all-time high in March...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, increased 0.7 percent to 106.67 in March. The Index now leads its level from one year ago by 2.3 percent and has reached an all time high. In March, four of the Index's five components made positive contributions. Initial claims for unemployment insurance decreased (improved) by the largest amount in more than a year and for the fourth consecutive month; consumer expectations (confidence six months hence) increased after declining in February; residential building permits posted a moderate advance; and, new automobile registrations gained sharply following two consecutive declines. The total value of residential building permits declined for the second consecutive month.



Metropolitan Leading Index gains 0.18 points in March...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, gained 0.18 points to 107.99 in March. Advances in the building permit and consumer expectation (consumer confidence six months hence) components were dampened by negative performance in durable goods sales and, the Help Wanted Index, and initial unemployment claims.



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